

REMARKS

The Examiner is thanked for the thorough examination of the present application. The FINAL Office Action, however, continued to reject all claims 1-24. In response, Applicant submits the foregoing amendments and the following remarks. Applicant respectfully requests reconsideration and withdrawal of the rejections for at least the following reasons.

Response to Rejections under 35 U.S.C. § 101

The Office Action rejected claims 1-12 under 35 U.S.C. § 101, as allegedly being directed to non-statutory subject matter. This rejection is rendered moot by the amendment to independent claim 1. In this regard, every operation recited in claim 1 is clearly recited as being performed by the computer.

Indeed, the U.S. Court of Appeals for the Federal Circuit recently confirmed in its *In re Bilski* — F.3d —, 88 U.S.P.Q.2d 1385 (2008) decision:

“... we ... reaffirm that the machine-or-transformation test ... is the governing test for determining patent eligibility of a process under 35 U.S.C. § 101.

...

The machine-or-transformation test is a two-branched inquiry; an applicant may show that a process claim satisfies § 101 either by showing that his claim is tied to a particular machine, or by showing that his claim transforms an article.

The Court further stated:

In *AT&T*, we rejected a "physical limitations" test and noted that "the mere fact that a claimed invention involves inputting numbers, calculating numbers, outputting numbers, and storing numbers, in and of itself, would not render it nonstatutory subject matter." 172 F.3d at 1359 (*quoting State St.*, 149 F.3d at 1374). The same reasoning applies when the claim at issue recites fundamental principles other than mathematical algorithms. Thus, the proper inquiry under § 101 is ... whether the claim meets the

machine-or-transformation test. As a result, ... a claim that purportedly lacks any "physical steps" but is still tied to a machine or achieves an eligible transformation passes muster under § 101.

Independent claim 1, as amended, satisfies these legal standards. In this regard, the amended claim 1, each method step is tied with an actual machine of either the computer or the database. Accordingly, the method of claim 1 is tied to machines, and claim 1 defines statutory subject matter.

With regard to the amendment made to claim 1, the computer and database is described in the specification (for example, pages 6-7 of the specification). Accordingly, the amendment adds no new matter to the application. Further, the rejection was based on the allegation that the method steps "fail the first prong of the new Federal Circuit decision since they are not tied to another statutory class." As amended, claim 1 clearly overcomes this basis of rejection. Therefore, the rejection of claim 1 (and dependent claims 2-6) should be withdrawn.

Claims 7-12 are cancelled, thereby rendering moot the rejections of these claims.

Response to Rejections under 35 U.S.C. 103

Claims 1, 3-7, 9-13, 15-19 and 21-24 are rejected under 35 U.S.C. §103(a) as allegedly being unpatentable over Jenkins et al (Pub. No.: 2002/0188499). Claims 2, 8, 14 and 20 are rejected under 35 U.S.C. §103(a) as being unpatentable over Jenkins et al in view of Borders et al. (US Patent, No.: 7139721). Applicant respectfully requests reconsideration and withdrawal of these rejections.

In order for a claim to be properly rejected under 35 U.S.C. §103(a), the teachings of the prior art reference must suggest all features of the claimed invention to one of

ordinary skill in the art. See, e.g., *In re Dow Chemical*, 837 F.2d 469, 5 U.S.P.Q.2d 1529, 1531 (Fed. Cir. 1988); *In re Keller*, 642 F.2d 413, 208 U.S.P.Q. 871, 881 (C.C.P.A. 1981).

Among these rejected claims, claims 7-12 are cancelled, thereby rendering the rejections of those claims moot. Of the remaining claims, claims 1, 13, and 19 are independent. Claims 13 and 19 are rejected on the same basis as claim 1. Therefore, remarks are provided regarding to patentability of the amended claim 1.

The Office Action (page 6) states that Jenkins discloses a method of ‘dynamic customer demand forecasting’ (see Jenkins, paragraph [0002], lines 1-2). Applicant respectfully disagrees.

According to Jenkins, what is taught is ‘a system and method for *ensuring manufacturing order fulfillment*’ and ‘a system and method for *responding to supply conflicts*, such as unexpected delays in production, by *rerouting and reapplying resources*’ (paragraph [0002], *emphasis added*).

The teachings of Jenkins do not *forecast* demand. Instead, Jenkins ensure fulfillment of **given demands** – i.e., given manufacturing orders.

To one of ordinary skill in the art, ensuring fulfillment of given demands does not disclose forecasting demands. Accordingly, the rejection is misplaced and should be withdrawn.

In addition, the Office Action (pages 2 and 6) states that Jenkins discloses the feature “inputting at least one forecast rule to estimate orders” of claim 1. More specifically, the Office Action regards the ‘forecast adjustment rule’ in paragraphs [0032] - [0036] of Jenkins as an equivalent of the “forecast rule to estimate orders” of claim 1.

Applicant notes that the cited statement is based on a word-by-word interpretation of the term 'forecast adjustment rule' and "forecast rule", but ignores the true (i.e., contextual) meanings of these terms in light of corresponding description of Jenkins and the claim language of claim 1. According to claim 1, the input forecast rule is used to estimate orders.

In contrast, the 'forecast adjustment rule' in paragraphs [0032] ~ [0036] of Jenkins teaches how to adjust the forecast based on achieved orders.

In the method of dynamic customer demand forecasting of claim 1, the forecast rule to estimate orders is input, wherein the orders are the subject of forecasting. Based on common sense in view of the context of the claimed features, the subject of forecasting (i.e., the order) has not been achieved when the forecast rule to estimate orders is input.

On the contrary, the 'forecast adjustment rule' of Jenkins teaches how to adjust the forecast based on achieved orders. Accordingly, the achieved orders are the basis for the so-called forecast adjustment. Again, based on the clear context of the claimed features, persons skilled in the art would understand the basis of forecasting (i.e., the order) has been achieved in order to adjust forecast.

Accordingly, the method of Jenkins is performed in light of given orders, while the method of claim 1 estimates orders before the orders are actually given.

To one of ordinary skill in the art, the 'forecast adjustment rule' of Jenkins is NOT a forecast rule to estimate orders. For at least this additional reason, the rejection of claim 1 should be withdrawn. Furthermore, Jenkins actually teaches away from claim 1.

As described, Jenkins teaches how to adjust the forecast based on given orders, rather than estimating orders based on given forecast rule. The deficiency of Jenkins cannot be cured by combining a forecast hit rate into the teachings of Jenkins.

For at last the foregoing reasons, teachings of the cited arts do not suggest the claimed features of: “forecast rule to estimate orders” to one of ordinary skill in the art. The “forecast rule to estimate orders”, however, is a significant feature of claim 1. Accordingly, the rejection of claim 1 should be withdrawn.

Insofar as independent claims 13 and 19 embody similar defining features, the rejections of these claims should be withdrawn for the same reasons. Insofar as all remaining claims depend from either claim 1, 13, or 19, all claim rejections should be withdrawn for the same reasons.

As a separate and independent basis for the patentability of all claims, Applicant submits that the combination of Jenkins and Johnson (or official notice of common knowledge) is improper and therefore does not render the claims obvious. In this regard, the Office Action combined Jenkins with Johnson (or official notice of common knowledge) to reject the claims on the solely expressed basis that “it would have been obvious ... to adjust/modify the forecasted demand by selecting the highest hit rate as the target rule.” (see e.g., Office Action, p. 6)

This rationale is both incomplete and improper in view of the established standards for rejections under 35 U.S.C. § 103.

In this regard, the MPEP section 2141 states:

The Supreme Court in KSR reaffirmed the familiar framework for determining obviousness as set forth in *Graham v. John Deere Co.* (383

U.S. 1, 148 USPQ 459 (1966))... As reiterated by the Supreme Court in KSR, the framework for the objective analysis for determining obviousness under 35 U.S.C. 103 is stated in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966). Obviousness is a question of law based on underlying factual inquiries. The factual inquiries enunciated by the Court are as follows:

- (A) Ascertaining the differences between the claimed invention and the prior art; and
- (B) Ascertaining the differences between the claimed invention and the prior art; and
- (C) Resolving the level of ordinary skill in the pertinent art.

In addition:

When applying 35 U.S.C. 103, the following tenets of patent law must be adhered to:

- (A) The claimed invention must be considered as a whole;
- (B) The references must be considered as a whole and must suggest the desirability and thus the obviousness of making the combination;
- (C) The references must be viewed without the benefit of impermissible hindsight vision afforded by the claimed invention and
- (D) Reasonable expectation of success is the standard with which obviousness is determined.

Hodosh v. Block Drug Co., Inc., 786 F.2d 1136, 1143 n.5, 229 USPQ 182, 187 n.5 (Fed. Cir. 1986).

As reflected above, the foregoing approach to obviousness determinations was recently confirmed by the United States Supreme Court decision in *KSR INTERNATIONAL CO. V. TELEFLEX INC. ET AL.* 550 U.S. 1, 82 USPQ2d 1385, 1395-97 (2007), where the Court stated:

In *Graham v. John Deere Co. of Kansas City*, 383 U. S. 1 (1966), the Court set out a framework for applying the statutory language of §103, language itself based on the logic of the earlier decision in *Hotchkiss v. Greenwood*, 11 How. 248 (1851), and its progeny. See 383 U. S., at 15–17. The analysis is objective: “Under §103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial

success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented.” *Id.*, at 17–18.

Indeed, as now expressly embodied in MPEP 2143, “[t]he **key to supporting any rejection under 35 U.S.C. 103 is the clear articulation of the reason(s) why the claimed invention would have been obvious**. The Supreme Court in *KSR* noted that the analysis supporting a rejection under 35 U.S.C. 103 should be made explicit.” (*Emphasis added, MPEP 2143*). “Objective evidence relevant to the issue of obviousness **must** be evaluated by Office personnel.” (*MPEP 2141*). “The key to supporting any rejection under 35 U.S.C. 103 is the **clear articulation of the reason(s)** why the claimed invention would have been obvious. The Supreme Court in *KSR* noted that the analysis supporting a rejection under 35 U.S.C. 103 **should be made explicit**. The Court quoting *In re Kahn*, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006), stated that ‘[R]ejections on obviousness cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.’” (*MPEP 2141*).

Simply stated, the Office Action has failed to at least (1) ascertain the differences between and prior art and the claims in issue; and (2) resolve the level of ordinary skill in the art. Furthermore, the alleged rationale for combining the references is merely an improper conclusory statement that embodies clear and improper hindsight rationale. In this regard, the Office Action took “Official Notice” that it was common knowledge in the prior art to calculate a forecast hit rate (i.e., orders) corresponding to a forecast rule when accumulating forecasted demand. Applicant respectfully disagrees, and requests that the Examiner provide a reference clearly showing this feature.

For reasons set forth above, the Office Action fails to set forth the required objective indicia appropriate to support the rejection. For at least these additional reasons, Applicant submits that the rejections of all claims are improper and should be withdrawn.

For at least the foregoing reasons, it is believed that all pending claims are in proper condition for allowance. If the Examiner believes that a telephone conference would expedite the examination of the above-identified patent application, the Examiner is invited to call the undersigned.

A credit card authorization is provided herewith to cover the fee associated with the accompanying RCE application. No additional fee is believed to be due in connection with this submission. If, however, any additional fee is deemed to be payable, you are hereby authorized to charge any such fee to Deposit Account No. 20-0778.

Respectfully submitted,

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